June 24, 2014

Mr. Gary Shinners
Executive Secretary
National Labor Relations Board
1099 14th Street N.W.
Washington, DC 20570-0001

Re: Case Number: 32-RC-109684 – Browning-Ferris Industries of California, Inc., d/b/a Newby Island Recyclery & FRP-II, LLC. d/b/a/ Leadpoint Business Services

Dear Executive Secretary Shinners:

The International Franchise Association (IFA) submits this *amicus* letter in the above-captioned matter urging the National Labor Relations Board (NLRB) to adhere to its existing joint-employer standard as articulated in cases such as *TLI, Inc.* 271 NLRB 798 (1984). Although the case at hand does not involve a relationship between a franchisor and franchise, the IFA and the industry we represent is concerned that a deviation from the current joint-employer standard could give rise to arguments that would have profound implications for a unique business model responsible for millions of jobs and significant contributions to our nation's economy.

The IFA has previously addressed the issue of joint-employer status within the franchise industry in a letter dated October 29, 2013 to Mr. Barry Kearney of the Division of Advice. A true and correct copy of that letter is attached to this submission and incorporated herein by reference. We explained then – and restate here for emphasis – that in 2012 there were 750,000 franchise establishments in the United States employing 8.1 million workers, generating a direct economic output of $769 billion. These businesses account for approximately 3.4 percent of America's gross domestic product.

The indirect economic impact of our industry to our country's economy is even more profound. As stated in our letter to Mr. Kearney, output produced as a result of franchising is over $2 trillion a year. The IFA estimates that franchising operations account for 40 percent of all retail sales, and approximately 1 in 12 of all retail establishments is a franchised business.

Franchising by its very nature creates one brand to maximize the impact of the business model, thereby creating jobs, opportunities and extraordinarily positive economic results for this country. The legal underpinnings clearly establishing the franchisor and franchise as totally separate businesses emanate from a variety of federal and state statutes, rules and regulations, as noted in our October letter.

If the Board departs from its current rules involving joint-employment relations, some may assert that whatever new standard articulated should apply also to a franchisor and franchise. This result may occur even though the facts before the Board in this case involve a different business model from the franchising paradigm. While we urge the Board to maintain its current joint-employment legal analysis and test, we write separately to urge the Board to make clear that whatever its decision may be in *Brown-Ferris Industries of California, Inc.*, the conclusion should be limited to the precise business model before it and have no application to franchising, which is governed by many overlapping federal and state laws and regulations.

In according with of Section 102.114(i) of the Board's Rules and Regulations, service of this letter has been made via electronic mail to the following case participants: Employer Browning-Ferris Industries of California, Inc. c/o Legal Representatives Mark Kisicki (mark.kisicki@ogletreedeakins.com); Thomas Stanek (Thomas.stanek@ogletreedeakins.com); and Elizabeth Townsend (Elizabeth.townsend@ogletreedeakins.com); Employer FPR-II LLC d/b/a Leadpoint Business Services c/o Legal Representative Michael G. Pedhirney (mpedhireny@littler.com); Petitioner Sanitary Truck Drivers and Helpers Local 350, International Brotherhood of Teamsters, c/o Legal Representative Adrian Barnes (abarnes@beesontayer.com); and NLRB Regional Office 32, c/o William A. Baudler (NLRBRegion32@nlrb.gov).

Respectfully submitted,

Jay B. Perron

Jay B. Perron
Vice President, Government Relations & Public Policy
International Franchise Association

October 29, 2013

VIA UPS and Electronic Mail
Barry.Kearney@nlrb.gov

Mr. Barry J. Kearney
Associate General Counsel of the
Division of Advice
National Labor Relations Board
1099 14th Street N.W.
Washington, D.C. 20570-0001

Re: Fast Food Workers Committee (McDonalds USA, LLC)
Case Nos. 2-CA-093893, 2-CA-093895, 2-CA-093927, 2-CA-094224, 2-CA-094679, 2-CA-097827, 2-CA-097305, 2-CA-98604, 2-CA-098009, 2-CA-098662, 2-CA-098659, 2-CA-098676, 2-CA-103384, 2-CA-103390, 2-CA-103430, 2-CA-103726, 2-CA-103771, 2-CA-105591, 2-CA-106094

Dear Mr. Kearney:

It has been brought to our attention by International Franchise Association member McDonald's USA, LLC ("McDonald's") that a matter is pending before you addressing whether McDonald's is a joint employer with its franchisees. I am writing to you on behalf of the International Franchise Association (the "IFA"), to express the IFA's concern about the allegation by the Fast Food Worker's Committee that McDonalds is liable as a joint employer in the above-referenced unfair labor practice charges (the "Charges").

The International Franchise Association

The IFA is the oldest and largest trade association in the world devoted to representing the interests of franchising. Its membership includes franchisors, franchisees and suppliers. The IFA's mission is to protect, enhance and promote franchising through government relations, public relations and educational programs, on a broad range of legislative, regulatory and legal issues that affect franchising. IFA's membership currently spans more than 300 different industries, including more than 11,000 franchisee, 1,100 franchisor and 575 supplier members nationwide. The IFA often advocates before the courts by filing *Amicus Curiae* briefs in cases involving issues of importance to businesses engaged in and affected by franchising.[1]

Introduction

The supervision and control exercised by McDonald's over its franchisees, and the advice and guidance provided by McDonald's to its franchisees, are customary in the quick service restaurant franchise industry and typical of franchisors generally. It is important to note initially that the "supervision and control" on which the Division of Advice is apparently focusing has little or nothing to do with decisions involving the terms and conditions of employment for franchisee employees. Rather, based on the facts as we understand them from McDonald's submission to the Division of Advice, McDonald's does not hire, fire or discipline employees of its franchisees' stores, it does not set their compensation, employee benefits and other conditions of employment, nor does it schedule their work or supervise their work activities. Thus, McDonald's has no direct involvement in, much less control over, labor relations at the franchised store level.

Rather, McDonald's perceived and perhaps actual "control" over its franchisees emanates from its typical and appropriate status as a franchisor which seeks to ensure socially desirable and economically beneficial oversight of operations throughout its brand. The standards imposed by McDonald's over its franchisees are typical of those imposed by franchisors generally. These standards allow franchisors to maintain the uniformity and quality of product and service offerings and, in doing so, to protect their trade names, trademarks and service marks (collectively the "Marks") and the goodwill associated with those Marks. Any conclusion that the existence of such protective minimum standards converts McDonald's into a joint employer of its franchisees' employees would have dire consequences not just for McDonald's, but for the entire franchise industry.

[1] The IFA has filed amicus briefs in analogous cases, including, for example, *Doctor's Associates v. Uninsured Employers' Fund UBC,* 2010-SC-000658-WC (Ky. November 23, 2011 (whether franchisor liable as a "contractor" to uninsured franchisee's employee for workers' compensation purposes); *Patterson v. Domino's Pizza, LLC,* S204543 (Cal. 2013) (whether controls in franchise agreement alone are sufficient to raise a reasonable inference that an agency relationship existed between franchisor and its franchisee rendering franchisor liable for sexual assault on franchisee's employee).

The Franchising Method

"Franchising is a method of marketing goods and services" which depends upon the existence of the franchisor's control over a trademark, other intellectual property or some other commercially desirable interest sufficient to induce franchisees to pay to participate in the franchisor's system by distributing goods or services under the franchisor's trademark or name. (King, *Limiting the Vicarious Liability of Franchisors for the Torts of Their Franchisees* ("*Limiting Vicarious Liability*") (2005) 62 Wash. & Lee L. Rev. 417, 420-21.)

There are two principal explanations given for the popularity of franchising as a method of distribution. One is that it "was developed in response to the massive amounts of capital required to establish and operate a national or international network of uniform product or service vendors, as demanded by an increasingly mobile consuming public." (Shelley & Morton, *"Control" in Franchising and the Common Law*, 19 Fran. L. J. 119, 121.) The other is that "franchising is usually undertaken in situations where the franchisee is physically removed from the franchisor, and thus where monitoring of the performance and behavior of the franchisee would be difficult." Rubin, *The Theory of the Firm and the Structure of the Franchise Contract,* 21 J. Law & Econ. 223, 226 (1978). These two motivations are consistent with a business model in which the licensing and protection of the trademark rests with the franchisor and the capital investment and direct management of day-to-day operations of the retail outlets are the responsibility of the franchisee, which owns, and receives the net profits from, his or her individual franchise unit.

There also are two basic types of franchise arrangements, product distribution and business-format systems, with auto dealerships being a common example of the former and the fast-food industry, exemplified by McDonald's, representing the latter. (*Limiting Vicarious Liability at 422*).

McDonald's, like other "business-format" franchisors, provides not only the "product, service and trademark, but the entire business format itself – a marketing strategy and plan, operating manuals and standards, quality control, and continuing two-way communication. Business-format franchising, in contrast to traditional product-distribution franchises such as gasoline or automobile dealerships, "has grown much more than traditional franchising in the last few decades." (LaFontaine and Blair, *The Evolution of Franchise Contracts: Evidence from the United States (2009)* 3 Entrepreneurial Bus. L.J. 381, 387).

Franchising and the US Economy

While it has grown into one of the most-recognized brands in the world, McDonalds is unexceptional in terms of the supervision and control it exercises over its franchisees' operations. McDonald's is, in fact, an exemplar of the business-format franchising model that is of substantial and growing importance to the US economy. Given that a central purpose of the National Labor Relations Act (the "Act") is "to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred" (29 U.S.C. § 151(d)), the Act should not be interpreted in a manner that frustrates the free flow of commerce and significantly threatens a powerful engine of economic growth in the United States.

In this regard, the importance of the franchise industry to the general economy cannot be overstated. As of 2012, there were nearly 750,000 franchise establishments in the United States. IHS Global Insight, *Franchise Business Economic Outlook for 2013*, at 1,7 (December 2012).[2] These establishments employ about 8.1 million people and have an economic output of $769 billion. *Id.* Franchise establishments account for roughly 3.4 percent of the country's gross domestic product. *Id.* at 2.

However, the economic impact of franchised businesses goes beyond the establishments themselves. After accounting for factors such as products and services purchased by franchised outlets and the personal purchases of franchise owners and employees, PriceWaterhouseCoopers estimated that, in 2005, the total impact of franchising, including its spillover effects, was to add 21 million jobs (or 15.3 percent of all private-sector jobs) and $660.9 billion of payroll (12.5 percent of all private-sector payroll) to the American economy. PriceWaterhouseCoopers, *The Economic Impact of Franchised Businesses Vol. II: Results for 2005*, at 7. In addition, the effect of franchises continues to expand. According to the same report, "output produced because of franchised businesses grew from $1.5 trillion in 2001 to more than $2.3 trillion in 2005; an average growth of 10.9 percent per year. In 2005, output produced from franchised businesses accounted for 11.4 percent of all private-sector output. *Id.* at E-1. The IFA has estimated that franchising operations account for more than 40% of all retail sales in the United States and that approximately one in 12 retail establishments is a franchised business. (Int'l. Franchise Ass'n, *ABC's of Franchising: Franchise Facts*, at http://www.franchise.org/resourcectr/faq/franchisefacts.asp 2003.)

Uncertainty is not compatible with the job growth our country needs, and a shifting regulatory environment promotes uncertainty. Therefore, proceeding with the Charges against McDonald's would undermine a central purpose of the Act.

[2] http://www.franchise.org/uploadedFiles/Franchise_Business_Outlook_12-17-2012.pdf (as of Sept. 24, 2013).

The Allocation of Controls in the Franchise Relationship

Although the unfair labor practice administrative proceedings before the Division of Advice involve only a single IFA member, this matter is of critical importance to the IFA's membership because of the potentially devastating consequences for franchising as an economic force in the event that the typical system standards imposed by McDonalds cause it to be characterized as a joint employer of its franchisees' employees.

To fully appreciate why franchisors' imposition of controls over certain aspects of their franchisees' operations is inherent (and necessary) to franchising – and why those controls should not be viewed as reflecting joint employer status – it is necessary to understand what a franchise is. Franchising is regulated by the Federal Trade Commission (the "FTC") and under the laws of a number of states. These laws recognize that a franchisor's exercise of a significant degree of control over the franchisee's methods of operation is central to the franchise relationship. Indeed, the existence of control is part of the very definition of a "franchise."

For example, regulations promulgated by the FTC define a franchise as a continuing commercial relationship where (1) the franchisee distributes goods or services bearing the franchisor's Marks or uses the franchisor's Marks in the sale of goods or services, and (2) "the franchisor exerts or has authority to exert a significant degree of control over the franchisee's method of operation, including but not limited to, the franchisee's business organization, promotional activities, management, marketing plan or business affairs..." 16 C.F.R. § 436.2(a)(1)(B)(1) (2013).

Likewise, state franchise laws and regulations that define a "franchise" also focus on the association of the franchisor's Marks with goods or services distributed by the franchisee and the controls a franchisor exercises to enhance the quality and the uniformity of the offering to consumers. For example, both the California Franchise Investment Law and the California Franchise Relations Act define a "franchise" as a contract or agreement under which, among other things: (1) the franchisee is granted the right to engage in the business of offering, selling or distributing goods or services "under a marketing plan or system prescribed in substantial part by the franchisor;" and (2) the operation of the franchisee's business pursuant to such a plan or system is substantially associated with the franchisor's trademark, service mark or trade name. (Cal. Corp. Code, § 31005;Cal. Bus. & Prof. Code, § 20001.)[3]

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[3]Various other state laws also contain a definition of "franchise" that acknowledges the degree of control the franchisor must exert over the franchisee. *See* Illinois Franchise Disclosure Act of 1987, 815 Ill. Comp. Stat. 705/1, et seq.; Indiana Franchise Law, Ind. Code §§ 23-2-2.5-1, et seq.; Iowa Business Opportunity Promotions Law, Iowa Code §§ 523B.1, et seq.; Maryland Franchise Registration and Disclosure Law, Md. Code, §§ 14-20, et seq.; Michigan Franchise Investment Law, Mich. Comp. Laws §§ 445.1501, et seq.; New York Franchise Act, N.Y. Gen. Bus. Law § 681(3)(a); North Dakota Franchise

As these federal and state definitions make clear, inherent in the concept of franchising is the franchisor's exercise of significant controls, through its "marketing plan or system," over the operation of the franchisee's business in order to preserve and promote the value of the franchisor's trademark and brand and, in doing so, enhance the value of the franchise system to the benefit of the entire franchisee network. The existence of these significant controls, typically set forth in the parties' franchise agreement (and often in the franchisor's operations manual incorporated by reference into the franchise agreement), does not mean, however, that the franchisor manages the day-to-day operations of its franchisees' businesses. "To the contrary, the imposition of quality and operational requirements by contract suggests that the franchisor does not intervene in the daily operation and management of the independent business of the franchisee." (*Kerl v. Dennis Rasmussen, supra,* 682 N.W.2d at 338.)

By its very nature "[f]ranchising depends on the use of shared trademarks, the value of which is sustained by controlling the uniformity and quality of the products and services marketed under the trademark." (*Limiting Vicarious Liability).*Because the essence of franchising is the collective use by franchisees and franchisors of Marks that represent their goods and services to the consuming public, actions taken to control the uniformity and quality of product and service offerings under those Marks is not merely an essential element of franchising, it is an explicit requirement of federal trademark law. The Lanham Act mandates that owners of trademarks must "maintain[] sufficient control of the licensee's use of the mark to assure the nature and quality of goods or services that the licensee distributes under the mark." 15 U.S.C. § 1064(5)(A) (2013). Moreover, because the Lanham Act provides that a trademark can be deemed "abandoned" when "any course of conduct of the owner . . . causes the mark . . . to lose its significance," 15 U.S.C. § 1127 (2000), franchisors have a strong incentive to control the nature and quality of the good or services sold by their franchisees.

The exercise by franchisors of controls over the business operations of its franchisees is not merely reflective of the legal realities imposed by trademark law and pervasive state and federal regulation. It is also a value-added proposition for franchisees and consumers that is entirely consistent with the fact that franchisees are independent entrepreneurs who invest substantial capital in their businesses and control their labor relations. For a franchisee, the purchase of a franchise means avoiding those costs of market entry that are ameliorated by the franchisor's extensive guidance and training in many aspects of the operation of the franchised business. It also means enjoying the goodwill generated by the use of the franchisor's Marks, brand

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Investment Law, N.D.. Code §§ 51-19-01, et seq.; Oregon Franchise Transactions Law, 50 Or.. Rev. Stat. 650.005, et seq.; Rhode Island Franchise Investment Act, R.I. Gen. Laws §§ 19-28.1-1, et seq.; Virginia Retail Franchising Act, Va. Code Ann., §§ 13.1-557, et seq.; Washington Franchise Investment Protection Act, Wash. Rev. Code § 19.100.010, et seq.; Wisconsin Franchise Investment Law, Wis. Stat. § 553.01, et seq.

and system collectively with other franchisees and company-operated outlets. Dependence by the franchisee on the detailed methods of operation honed by franchisor experience is therefore a basic part of what a franchisee bargains for in acquiring a franchise. And use of Marks that project to members of the consuming public that they will enjoy a quality and predictable consumer experience at each outlet operated under those Marks—even though each is independently owned and operated—is the other principal part of the equation; one which again benefits both franchisees and consumers.

These operational controls and requirements often include, among others: site approval and restaurant relocation; maintenance and appearance standards; store inspections; construction and design; products and services; accounting; cash control; bookkeeping and reporting procedures; general operations; regulation of the franchisee's other business activities through non-competition covenants; store hours; approval of advertising and marketing content; handling of customer complaints; specification of signage, furniture, fixtures and equipment; specifying method of food preparation; standards for liability insurance, including naming the franchisor as an additional insured; and training requirements.

While these "[t]ypical franchisor controls can look pervasive to judges, lawyers, and jurors who are not schooled in modern franchising" (William L. Killion, *Franchisor Vicarious Liability—The Proverbial Assault on the Citadel*, 24 Franchise L. J. 162, 165 (2005)), they are nevertheless the very types of franchisor controls that many courts have found to be (1) consistent with a franchisor's right to control its trademarks and the quality of products and services distributed under those Marks, and (2) insufficient to justify the imposition of vicarious liability.

Just as importantly, they are the types of controls that the Board has previously concluded do not subject a franchisor or licensor to joint employer liability absent control over labor relations with the franchisee's or licensee's employees. *See, e.g., Speedee 7-Eleven*, 170 N.L.R.B. 1332, 1333 (1968) (policy manual that described "in meticulous detail virtually every action to be taken by the franchisee in the conduct of his store" is not evidence of joint employer relationship); *S.G. Tilden, Inc.*, 172 NLRB 752, 753 (1968) (Finding no joint employer relationship even though the franchise agreement regulated "many elements of the business relationship" because there was no clear indication that the franchisor "intended to, or in fact did, exercise direct control over the labor relations of [the franchisee].").

Treating Franchisors as Joint Employers Poses Great and Unjustifiable Risk to Franchising and the Economy

The judicial and regulatory environments historically have, with rare exception, accommodated the distinct features of franchising in the context of vicarious liability and labor and employment laws by recognizing that the controls exercised by most franchisors are necessary to protect their Marks and goodwill. These decisions reflect the economic reality that a franchisor and its franchisees are independent entities that run independent businesses that make independent business judgments, including those that concern how they manage their relations with their respective employees.[4] Courts and agencies have generally looked beyond the superficially extensive franchisor controls and monitoring, and excluded those controls that protect the Marks and promote uniformity of operations from consideration in these analyses. Franchisors, in turn, have come to rely on the relative constancy and consistency of this body of law.

A determination that the standards, specifications and procedures that franchisors like McDonald's may establish makes the franchisor a joint employer would be an unwelcome shift in the treatment of the franchise relationship. Such a radical reconfiguration of the franchise relationship would not only have a chilling effect on continued investment in franchise programs, but would certainly discourage the sort of oversight by franchisors that promotes quality and uniformity. This would ultimately weaken brands and lead to a lessening of the amount of beneficial assistance and guidance franchisees receive from their franchisor. It certainly would discourage franchisors from making recommendations and suggestions about employee working conditions for fear that those sorts of recommendations would increase the likelihood that a franchisor not otherwise involved in any of the functions traditionally associated with employer status—the "indicia of control"—would nevertheless be classified as a joint employer.

Moreover, if franchisors become joint employers solely by virtue of enforcing the controls necessary to protect the brand and trademark of the franchisor, franchising as a business model would no longer make economic sense - franchisors will likely stop franchising. New franchisors will not enter the market. If franchisors are deemed employers of a franchisees' employees, franchisors will have to prescribe and review employment applications, review hiring and firing decisions of each franchisee, continuously monitor and police employment practices, etc. The whole justification behind franchising would be severely diminished. Franchisors would be required to monitor day-to-day operations. The cost and resources necessary to do so would be prohibitive.

[4]"To be sure, as commentators have noted, courts have grappled with the problem of equating the concept of "control" in the franchise context to the type of day-to-day control that is contemplated by the "control or right to control" test for agency. (*See, e.g.*, King, *Limiting Vicarious Liability*, *supra*, 62 Wash. & Lee L. Rev. at p. 469 (noting the inherent conflict between the franchisor's need to maintain the quality and uniformity of its franchisees' operations and the independent contractor relationship between a franchisor and its franchisees, and concluding that "[i]t quickly becomes manifest that traditional rules for vicarious liability . . . are ill-suited for the franchisor-franchisee relationship")).

The statistics concerning franchising's contribution to the national economy, as well as those indicating the impact of fraught economic times on this important sector, show that franchised businesses are a very important component of an economy that has struggled during the past five years to regain jobs and outlets lost during the recession and its aftermath. If McDonald's policing of its Marks and its actions to rigorously maintain the uniformity of the products and services offered by thousands of independent franchisee owner-operators throughout the United States results in its characterization as a joint employer, what can the impact on franchising reasonably be expected to be? For one thing, franchisors will be discouraged from granting franchises as opposed to operating new units as "company-stores." This would be unfortunate for both franchisees and franchisors.

Franchisees would be deprived of the enhanced chance for success that comes with the opportunity to own and operate a business under a tried and true business format.[5] Alternatively, franchisors could attempt to account for any costs and risks associated with joint employer exposure in its initial fee and/or in the ongoing royalty fees charged to franchisees. By making franchises more expensive, some prospective franchisees would not be able to buy. Others would find that the increased investment and expense would make their businesses less valuable when they try to sell their business to a successor franchisee.

From the franchisor's perspective, if the appreciable costs associated with even *potential* joint employer liability were to deter it from selling franchises, it would be deprived of the efficiencies associated with financing expansion of the brand through employment of franchisee capital, which is certainly one of the main reasons that entrepreneurs select the franchise model.

Of course, at least in theory, franchisees could shift the costs of a sea change in the treatment of the franchised businesses vis-à-vis the employment relationship at the franchise store level through increased prices to the franchisees' customers. This would negatively impact consumers, assuming they were willing to pay the higher prices. But they might simply shift some of their business to retailers who were not faced with what would in essence be a tax on franchised businesses, now having to bear costs associated with the dual-responsibility for labor relations imposed on the franchisor. Because franchisors may never have had contact with the employees in their franchisees' outlets (much less supervised their work or other aspects of the employment relationship), this would be unfair, and would deprive franchisors, franchisees and consumers alike of freedom of choice at a variety of levels. Making the

[5]For entrepreneurs seeking to start a new business, franchising offers an established business model and can increase the odds that a new business will not only survive, but thrive and grow. Chad Moutray, Linking Franchise Success with Economic Job Growth and Net Job Creation, at 8 (April 2011), http://www.franchise.org/uploadedFiles/images/WhitePaperSBLS.pdf (as of Sept. 24, 2013). Indeed, franchised restaurants have greater market value than those that are not franchised. Id.

franchisor an insurer of its franchisees' compliance with the Act might seemingly benefit one group— the franchisees' employees—but that assumes that the costs associated with providing that benefit do not result in fewer jobs in the affected franchised businesses.

In short, basing a finding of "joint employer" status in the franchised business context on the necessary and common elements of a franchise relationship is likely to suffocate both the entrepreneurial opportunities and job creation associated with a business model that for the past several decades has been highly successful at both. And it would not predictably help even the group it would be intended to be benefited as it likely would not only reduce employment in franchised businesses but also would discourage franchisors from attempting to positively influence franchisee labor and employment practices out of fear that doing so would increase the likelihood of it being deemed a joint employer.

Conclusion

The IFA respectfully requests that the Division of Advice recommend the dismissal of joint employer allegations against McDonald's. Sustaining such allegations would have a chilling effect on economic expansion and job growth by franchised businesses and is not warranted by any substantial involvement by the great majority of franchisors in labor relations at the franchised unit level. Nor is joint employer characterization warranted by the economic realities of the franchise relationship under which the franchisee is an independent business person who purchases and owns the assets through which the business is operated, manages the business on a daily basis, bears any losses, and is entitled to any profit earned by virtue of his or her individual skill and diligence as a business person.

Very truly yours,

Jay B. Perron

Jay B. Perron
Vice President, Government Relations & Public Policy
International Franchise Association